Pet & Libya (E)

Department of State **TELEGRAM**

65 xr Pet 14 Libya
xr FSE 9 Libya

SECRET 472

EXCISE

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50 42
ACTION AF-19

INFO OCT-01 EUR-20 NEA-13 E-15 OEP-01 CIAE-00 DODE-00
PM-05 H-02 INR-08 L-04 NSAE-00 NSC-10 P-03 RSC-01
PRS-01 SS-20 USIA-12 FPC-01 INT-06 COM-08 TRSY-11
RSR-01 /162 W

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P R 011537Z FEB 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 7465
INFO USINT ALGIERS
AMEMBASSY BENGHAZI
AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TEHRAN
AMEMBASSY THE HAGUE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cj DATE 6/19/81
PORTIONS DENIED AS INDICATED

Telgram, exc 12/1/71

S E C R E T TRIPOLI 410

SUBJECT : OIL SITUATION: LIBYA

(3) 1. OVER PAST WEEKEND LARG HAS TAKEN SEVERAL ACTIONS WHIGH MAY AFFECT ATMOSPHERE, IF NOT SUBSTANCE, OF OIL NEGOTIATIONS.

A) MINPET MABRUK ANNOUNCED, FEBRUARY 28, FORMATION OF COMPENSATION COMMISSIONS SPECIFIED IN JULY 4, 1970 DECREE NATIONALIZING MARKETING FACILITIES OF ESSO, SHELL AND ENI'S AGIP. ACCORDING TO ORIGINAL DECREE, COMMISSIONS (ONE FOR EACH NATIONALIZED COMPANY) ARE TO RENDER DECISION ON COMPENSATION DUE WITHIN THREE MONTHS OF THEIR FORMATION. MEMBERSHIP OF COMMISSIONS AND PROCEDURE THEY WILL FOLLOW IN HEARING COMPANIES' VIEWS NOT YET KNOWN.

B) ISA QIBLAWI, WHO HAS BEEN PETROLEUM UNDER SECRETARY SINCE OCTOBER 1969, WAS SHIFTED TO NEW POSITION AS HEAD OF

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TECHNICAL PLANNING AUTHORITY (LARG'S SECRETARIATE FOR ECONOMIC PLANNING). QIBLAWI'S REPLACEMENT AT MINISTRY OF PETROLEUM HAS NOT BEEN NAMED. QIBLAWI HAS PARTICIPATED IN OIL NEGOTIATIONS SINCE THEY BEGAN IN JANUARY 1970 [redacted] B1

IT IS NOT CLEAR, AS YET, WHAT EFFECT NEW APPOINTMENT WILL HAVE ON QIBLAWI'S ROLE IN CURRENT NEGOTIATIONS.

[redacted] B4

[redacted] WHILE NONE OF THESE DEVELOPMENTS AFFECTS CURRENT OIL NEGOTIATIONS DIRECTLY, THEY COULD CONTRIBUTE TO BUILDING ATMOSPHERE OF REASONABLENESS BENEFICIAL TO NEGOTIATIONS.

2. SO FAR AS NEGOTIATIONS THEMSELVES ARE CONCERNED, BP AND GELSENBERG REPORTEDLY MET WITH LARG TODAY, BUT WE HAVE NOT YET LEARNED RESULTS OF MEETINGS.

3. WE NOTE THAT UNHELPFUL SPECULATION BY NEWS MEDIA ABOUT NATIONALIZATION IN LIBYA IN WAKE OF ALGERIAN MOVE, SUCH AS THAT CARRIED BY UPI (STATE 33051 NOTAL) AND LATER BY BBC, IS BEING MADE LESS LIKELY IN FUTURE BY ADDITION OF PRESS OFFICER TO STAFF OF INDUSTRY TEAM. MOST NEWSMEN ARRIVED LATE LAST WEEK AS INDUSTRY TEAM DEPARTED - WITHOUT HAVING DESIGNATED SPOKESMAN. RUMORS AND SPECULATION, OF COURSE, WERE PLENTIFUL, AND IN THEIR FRUSTRATION NEWSMEN APPEAR TO HAVE FILED THERE. GP-3.
PALMER

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